

## **Request for RDA Board Action**

### **Subject:**

Consideration and approval of a resolution authorizing the Agency Board Chair to sign the First Amendment for the Agreement for Development of Land (ADL) between Bangerter Station LLC and the Redevelopment Agency, providing property tax increment reimbursement for construction of the Jordan Valley Station, Transit Oriented Development (TOD), located at approximately 3400 West and 8700 South.

### **Discussion:**

A Community Development Project Area (CDA) titled Jordan Valley Station has been established to assist Bangerter Station LLC with the construction of a transit oriented development. Bangerter Station LLC is a partnership of Boulder Ventures Development Inc. and Utah Transit Authority (UTA). The attached ADL Amendment #1 between Bangerter Station LLC and the Redevelopment Agency provides revised dates for construction phasing and property tax increment reimbursement for the Jordan Valley Station. A delay with beginning the project is due to a coordination matter between UTA and FTA, and securing offsite utility easements resulting in impediments with securing financing.


### **Recommendation:**

Staff recommends approval of Amendment #1 and the resolution authorizing the Agency Board Chair to sign the First Amendment for Development of Land (ADL) between Bangerter Station LLC and the Redevelopment Agency providing property tax increment reimbursement for construction of the Jordan Valley Station Transit Oriented Development.

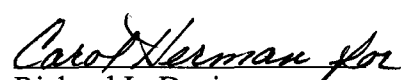
### **Motion:**

"I move to approve resolution 161 authorizing the Agency Board Chair to sign the First Amendment for Development of Land (ADL) between Bangerter Station LLC and the Redevelopment Agency providing property tax increment reimbursement for construction of the Jordan Valley Station Transit Oriented Development."

### **Prepared by:**

  
Tom Burdett  
Development Director

### **Recommended By:**

  
Richard L. Davis  
Executive Director

**Background:**

The Jordan Valley Station Project is a Transit Oriented Development located on approximately 42 acres at 3295 West 9000 South adjacent to the Bangerter stop on the Mid-Jordan light rail line.

The development includes 1,396 multi-family dwelling units, 2,851 structured parking stalls, 83,200 sq. ft. of office space, and 32,880 sq. ft. of retail space, in eight phases of construction. Currently, the site has two parking structures, roads and infrastructure developed on it by UTA. In order to accommodate development of the site, construction of a 12" water line is required to meet service demands. This water capacity expansion will also provide a secondary water line, delivering increased capacity and pressure to the Jordan Valley Hospital. The sewer expansion requires capacity improvements along Old Bingham Highway to tie the project to the trunk lines which lie north at 7800 South.

The developer, Bangerter Station LLC, is set to close on financing this month. In preparation of the closing, an amendment to the ADL is necessary. This amendment will update one section and one exhibit of the agreement. The first change is an update to the Section 3.8 titled "Report and Evidence of Investment for the Year and Aggregate Investment." The second change is to Attachment #1 "DESCRIPTION OF IMPROVEMENTS AND SCHEDULE OF PERFORMANCE." This change incorporates a new schedule for construction of public and private improvements. With these changes, the agreement is up-to-date for servicing the development with reimbursement from tax increment generated by the private investment.

## RESOLUTION NO. 161

**FIRST AMENDMENT TO AGREEMENT FOR DEVELOPMENT OF LAND**  
**COMMUNITY DEVELOPMENT PROJECT AREA – JORDAN VALLEY STATION**  
**WEST JORDAN, UTAH**

**THIS FIRST AMENDMENT TO AGREEMENT FOR DEVELOPMENT OF LAND** (Amendment) is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2014, between the Redevelopment Agency of the City of West Jordan, a governmental entity organized under the laws of the State of Utah (the “**Agency**”) and Bangerter Station, LLC, a Utah limited liability company (the “**Developer**”). The aforementioned are sometimes referred to in this Amendment as a “Party,” or collectively as the “Parties.”

**R E C I T A L S :**

A. The Agency and the Developer have previously entered into that certain Agreement for Development of Land (ADL) dated as of the 11<sup>th</sup> day of July 2012.

B. The Agency and the Developer desire to amend the ADL as provided in this Amendment.

NOW, THEREFORE, each of the Parties agrees that the ADL is modified and amended as follows:

1. Section 3.8 of the ADL is amended to read:

“3.8 Report and Evidence of Investment for the Year and Aggregate Investment. To qualify for Tax Increment Subsidy payments this Agreement requires the Developer to invest certain amounts in the project by the end of each year (from 2013 through 2021). By Mar 1 of each year from 2014 through 2022 the Developer shall provide to the Agency an accounting, with evidence and proof of Developer’s Investment for the Year and Aggregate Investment amount.”

2. The address of developer, Bangerter Station, LLC, as set forth in Section 9.3 (B) of the ADL is amended to read:

Bangerter Station, LLC  
c/o Bangerter Station Associates, LLC  
2121 S. McClelland Street, Suite 303  
Salt Lake City, UT 84106  
Attn: Jeffrey M. Vitek, Manager

3. Attachment No. 1 of the ADL is amended to read as set forth below, but the Site Plan included in Attachment No. 1 remains undmodified:

**“ATTACHMENT NO. 1**

**DESCRIPTION OF IMPROVEMENTS AND SCHEDULE OF PERFORMANCE**

In order to be eligible to receive a payment of the Tax Increment Subsidy from the Agency, the Developer must have timely constructed and installed to completion, and received from the City a final certificate of occupancy for (or with respect to infrastructure acceptance by the City for) the Improvements listed below in accordance with the schedule of performance set forth below, and with a minimum investment amount for such Improvements equal to or greater than the Aggregate Investment amounts listed below as of the dates listed below. In the event of failure of the Developer to complete the construction and installation of any portion of the Improvements, and to receive a final certificate of occupancy (or acceptance of infrastructure by the City), with an investment amount equal to or greater than the Aggregate Investment amounts listed in A. TOTAL PROJECT below, and by the applicable dates set forth below, the Tax Increment Subsidy payments related to the year(s) of such nonperformance will be suspended, and shall be terminated and the Developer shall no longer be entitled to receive payments of the Tax Increment Subsidy related to the year(s) of nonperformance unless the Developer fully performs (catches up) with respect to the Aggregate Investment amounts shown in A. TOTAL PROJECT below within two years following such failure.

**A. TOTAL PROJECT**

The improvements to be constructed and installed by the Developer (the "Improvements") include the development of the Site as a mixed use Transit Oriented Development (TOD), with residential, office and retail uses, including infrastructure improvements, parking structures, Class A commercial office buildings, retail and restaurant buildings and residential/housing buildings, at a total cost to Developer of not less than \$135,000,000. The locations of the various portions of the contemplated Improvements are shown on the Site Plan attached below as a part of this Attachment No. 1.

The product mix may change, dependent on market conditions; PROVIDED, however, that prior to construction of other residential/housing building improvements on the Site, Developer must complete the construction of Residential Wrap Buildings I and II that surround Parking Structures I and II, as shown in the Site Plan, Attachment No. 1, and complete construction of Building and Parking Structures I and II, including completion of construction of the plaza adjacent to Building and Parking Structure I and installing the

decorative panels on the Building and Parking Structures I and II. Notwithstanding Developer's right to change the product mix, Developer agrees that once construction of a building or other portion of the Improvements is commenced, the construction thereof shall be diligently prosecuted to completion. Developer currently intends to construct the following product mix:

Class A Commercial Office – 83,200 square feet;

Residential/Housing Building Improvements – 1,396 one, two and three bedroom single family attached units; if more than 1,470 residential units are constructed within the Site or Project Area, the Tax Increment Subsidy shall automatically terminate (see Section 8.1 (B) above);

Retail and Restaurant Building Improvements – 32,880 square feet.

Below is the schedule of performance for the total project investment for the construction of Class A Commercial Office, Residential/Housing Building Improvements, Retail and Restaurant Improvements, public infrastructure improvements, and parking structures/facilities. The required annual Investment and Aggregate Investment, as well as the required timing for the annual Investment and Aggregate Investment are also shown:

Completion Date	Investment for the Year	Aggregate Investment
By December 31, 2013	\$11,000,000	\$11,000,000
By December 31, 2014	\$9,599,528	\$20,599,528
By December 31, 2015	\$250,000	\$20,849,528
By December 31, 2016	\$22,404,580	\$43,254,108
By December 31, 2017	\$21,234,580	\$64,488,688
By December 31, 2018	\$22,658,920	\$87,147,608
By December 31, 2019	\$16,082,192	\$103,229,800
By December 31, 2020	\$16,989,528	\$120,219,328
By December 31, 2021	\$15,471,360	\$135,690,688

## B. PUBLIC INFRASTRUCTURE IMPROVEMENTS

The Developer shall construct and install the following public infrastructure improvements related to the subject project at a total cost for public infrastructure of not less than \$12,000,000:

Water lines, sewer lines, storm water facilities, streets and other publically dedicated infrastructure appurtenances needed or related to the project.

Below is the schedule of performance for the public infrastructure improvements. The required annual Investment and Aggregate Investment, as well as the required timing for the annual Investment and Aggregate Investment are also shown:

Completion Date	Investment for the Year	Aggregate Investment Amount
December 31, 2013	\$11,000,000	\$11,000,000
December 31, 2014	\$750,000	\$11,750,000
December 31, 2015	\$250,000	\$12,000,000

#### C. PARKING STRUCTURE IMPROVEMENTS

The Developer shall construct and install the following parking structure improvements within the Project Area at a total cost for parking structures of not less than \$17,533,250 and with a total of not less than 1983 parking spaces unless otherwise agreed to in writing by the Agency but in all cases in compliance with City regulations, code and otherwise. The number of spaces may vary if there are changes in the product mix. Below is the schedule of performance for the parking structure improvements. The required annual Investment and Aggregate Investment, as well as the required timing for the annual Investment and Aggregate Investment are also shown:

Completion Date	Parking Structure	Investment for the Year	Aggregate Investment Amount
December 31, 2016	III and IV	\$5,224,500	\$5,224,500
December 31, 2017	V and VI	\$5,858,750	\$11,083,250
December 31, 2019	VII and VIII	\$6,450,000	\$17,533,250

#### D. OFFICE, RESIDENTIAL, RETAIL AND RESTAURANT IMPROVEMENTS

As mentioned above, the product mix may change, dependent on market conditions. Below is the schedule of performance for the Class A Commercial Office, Residential/Housing Building Improvements, Retail and Restaurant Improvements. The required annual Investment and Aggregate Investment, as well as the required timing for the annual Investment and Aggregate Investment are also shown:

Completion Date	Investment for the Year	Aggregate Investment
December 31, 2012	\$0	\$0
December 31, 2013	\$0	\$0
December 31, 2014	\$8,849,528	\$8,849,528
December 31, 2015	\$0	\$8,849,258
December 31, 2016	\$17,180,080	\$26,029,608
December 31, 2017	\$15,375,830	\$41,405,438
December 31, 2018	\$16,208,920	\$57,614,358
December 31, 2019	\$16,082, 192	\$73,696,550
December 31, 2020	\$16,989,528	\$90,686,078
December 31, 2021	\$15,471,360	\$106,157,438

#### E. CERTAIN UTA EXPENSES

The Parties acknowledge that Utah Transit Authority ("UTA") has incurred by December 31, 2013 certain expenses for grading, roadways, water lines, sewer lines, storm water facilities and other publicly dedicated infrastructure appurtenances dedicated to the project, and that those expenses are included in the Investment for the Year for 2013 as shown in A. and B. above."

4. All other provisions of the ADL not specifically changed by this Amendment remain the same and shall continue in full force and effect.

**IN WITNESS WHEREOF**, the Agency has caused this Amendment to be duly executed in its behalf, and the Developer has caused the same to be duly executed in its behalf, on or as of the day and year first above written.

REDEVELOPMENT AGENCY OF THE CITY OF WEST JORDAN

By \_\_\_\_\_,  
\_\_\_\_\_, Chairperson

By \_\_\_\_\_,  
\_\_\_\_\_, Executive Director



BANGERTER STATION, LLC  
By Bangerter Station Associates, LLC  
Jeffrey M. Vitek

\_\_\_\_\_  
Its Manager

STATE OF UTAH                    )  
                                          :ss.  
COUNTY OF SALT LAKE    )

On the \_\_\_\_ day of \_\_\_\_\_, 2014, personally appeared before me \_\_\_\_\_ and \_\_\_\_\_ who being by me duly sworn did say, each for themselves that he, the said \_\_\_\_\_ is the Chairperson and he, the said \_\_\_\_\_ is the Executive Director of the Redevelopment Agency of the City of West Jordan and that the within and foregoing instrument was signed in behalf of said Agency by authority of a motion or resolution of its board of directors and said \_\_\_\_\_ and \_\_\_\_\_ each duly acknowledged to me that said Agency executed the same.

My Commission Expires:  
\_\_\_\_\_

\_\_\_\_\_  
Notary Public  
Residing at:

STATE OF UTAH                    )  
                                          :ss.  
COUNTY OF SALT LAKE    )

On the \_\_\_\_ day of \_\_\_\_\_, 2014 personally appeared before me JEFFREY M. VITEK, who being by me duly sworn did say, that he is the Manager of Bangerter Station Associates, LLC, the Manager of Bangerter Station LLC, a Utah limited liability company, and that the within and foregoing instrument was signed in behalf of said companies, and acknowledged to me that said companies executed the same pursuant to authority under their Operating Agreements or other proper authority.

My Commission Expires:  
\_\_\_\_\_

\_\_\_\_\_  
Notary Public  
Residing at: